Attachment D	9 pc	oint Dri	lling Plan	Check List							
	_		<u>Blank</u> Field								
Operator:		0	Inerator Nan	ne	Date [.]	9/16/2010					
Operator: Operator Name Date: <u>9/16/201</u> Well Name/Number: Joe Creek 4-26-4-12											
Location: NENE 26-T4S-R12W USB											
Lease Number: UTU-88666											
Agreement Name (If Applicable): N/A											
APD CHECKLIST											
ONSHORE ORDER NO. 1 (2007), III.D. COMPONENTS OF A COMPLETE APD PACKAGE											
	3. <u>I</u>	ORILLIN [®]	G PLAN:			-					
	Rec'd	Not w/	Information	Date Subsequent	Remarks	OK9					
Information Required	w/APD	APD	Incomplete	Info Rec'd	Kemarks	OK?					
a. Estimated tops of geologic						200					
markers.	_		_			PBR					
b. Estimated tops and bottoms of											
water, oil, gas or other minerals and											
protection measures.											
c. Pressure control equipment,											
schematic, and testing procedures.											
d. Casing program - size, grade,											
weight, thread and coupling, setting											
depth, condition & design criteria.											
e. Cement program - amount, type,											
additives, stage-cementing, linear fill-											
up.											
f. Circulating medium - quantities,											
types, weighting material, and											
monitoring equipment (air/gas).											
g. Testing, logging, and coring.											
h. Expected BHP, abnormal BHP or											
T, or potential hazards (H ₂ S DOP &											
PPP).											
i. Other facets (directional, horizontal											
or coil tubing)											
<u>S</u>	UPPLEN	MENTAL	CHECKLIS	<u>ST</u> :							
	Rec'd	Not w/	Information	Date Subsequent	Remarks	OK?					
Information Required	w/APD	APD	Incomplete	Info Rec'd	Kelliaiks	<u>UK:</u>					
Status of POD and DOA for wells in											
Federal units.						n/a					
Other information required by Orders											
and Nations						n/a					

and Notices.

	Operator: Operator Name	Da	ıto:	0/16/2010				
	· Promote		ilC.	9/16/2010				
	Well Name/Number: Joe Creek 4-26-4-13							
	Location: NENE 26-T4S-R12W	USB						
	Lease Number: UTU-88666							
	Agreement Name (If Applicable): N/A							
	APD REQUIREMENTS FOR H ₂ S (Onshore Order N	No 6 Hydrogen Si	ulfide	Operation	(2			
	IN B TESQUITEMENT OF TIES COMMINGE OF GET T	10. 0, 11 y an 0 g c 11 51	<u>uijiue</u>	operation.	<u>, 7</u>	Date		
Item	Information Required	w/	Rec'd /APD	Not w/ APD	Information Incomplete	Subsequent Info Rec'd	OK for Approval	COA?
	The authorized officer shall be notified when operations are 500 feet above or 3 days before (whindrilling the first formation expected to contain H_2S .	chever is earlier)						Add COA
2)	Submit the concentration of H ₂ S in the gas stream that is anticipated.							Add COA
	A copy of the Drilling Operations Plan (DOP) shall be available during operations at the wellsite feet above or 3 days before (whichever is earlier) drilling the first formation expected to contain I							Add COA
	A Public Protection Plan (PPP) providing details of actions necessary to alert and protect the pub a release of a potentially harmful volume of H ₂ S shall be submitted to the authorized officer for d producing operations when applicability criteria of Order No. 6 are met.							Add COA
	A copy of the PPP shall be available at the drilling and/or completion site.							Add COA
6)	H ₂ S DOP and PPP shall be reviewed by the operator on an annual basis and copy of any necessar	y revisions shall						Add COA
	be submitted to the authorized officer upon request.			_	_			
	If unanticipated H ₂ S in excess of 100 ppm in the gas stream is encountered, the operator shall imcontrol of the well, suspend drilling operations (unless detrimental to well control), and obtain madequipment to bring the operations into compliance with the applicable provisions of Order No. 6. operator shall notify the authorized officer of the event and the mitigating steps that have or are be soon as possible, but no later than the next business day. If said notifications are subsequent to a of drilling operations, the operator shall notify the authorized officer of the date that drilling was It is the operator's responsibility to provide, if necessary, a H ₂ S DOP and a PPP to the authorized approval within five business days following resumption of drilling ahead operations.	In addition, the eing taken, as ctual resumption actually resumed.						Add COA
	H ₂ S DRILLING OPERATIONS P	LAN (DOP) LIST	_					
Item	The Following Information is Required to be Submitted in a H ₂ S PPP from Drilling, Completio Production Operations, When Concentrations of 100 ppm (and Greater) of H ₂ S in the Gas Stream at Least One of the Applicability Criteria in Section III.B.1 Applies	n, Workover and	Rec'd /APD	Not w/ APD	Information Incomplete	Date Subsequent Info Rec'd	OK for Approval	COA?
a.	Training of personnel in H ₂ S.							Add COA
b.	8 7 1 8							Add COA
	i. Drill rig orientation.							Add COA
	ii. Prevailing winds.							Add COA
	iii. Terrain of surrounding areas.							Add COA
	iv. Location of briefing areas.							Add COA
	v. Location of access roads (including secondary egress).							Add COA Add COA
	vi. Location of flare lines and pits. vii. Location of caution/danger signs.							Add COA Add COA
	viii, Location of caution/danger signs. viii, Location of wind indicators.							Add COA Add COA
c.								Add COA Add COA
C.	i. Well control equipment:							Add COA
	- Flare Line(s) and means of ignition.							Add COA
	- Remote controlled choke.							Add COA
	- Flare gun/flares.							Add COA
	The gain hates.							
		_						

	- Mud gas separator and rotating head (if exploratory).						Add COA
	ii. Protective equipment for essential personnel:						Add COA
	- Location, type, storage and maintenance of escape breathing apparatus.	ī					Add COA
	- Means of communication when using protective breathing apparatus.	ī					Add COA
	iii. H ₂ S detection and monitoring equipment:						Add COA
	- H ₂ S detection and monitoring equipment.	+	H				Add COA
	- Portable H ₂ S and SO ₂ monitors.						Add COA
	iv. Visual warning systems.	_					Add COA
	- Wind direction indicator.	_					Add COA
	- Caution/danger signs and flags.						Add COA
			_				Add COA
	v. Mud program.						
	- Mud system and additives.						Add COA
	- Mud degassing program.						Add COA
	vi. Metallurgical properties of all tubular goods and well control equipment which could be exposed to						Add COA
	vii. Means of communication from wellsite.						Add COA
d.	Plans for well testing.						Add COA
	H ₂ S PUBLIC PROTECTION PLAN (PPP) LIS	<u>T</u>					
	T.C. (; D. ; 1/ 1 C.I.; W.I.; H.C.DODE, D.W. 10, 1/, O. (; W.I.				Date		
	Information Required to be Submitted in a H ₂ S DOP From Drilling and Completion Operations When	Rec'd	Not w/	Information	Subsequent	OK for	COA?
Item	Concentrations of 100 ppm (and Greater) of H ₂ S in the Gas Stream Are Present	w/APD	APD	Incomplete	Info Rec'd	Approval	
					mio rice u		
	This H ₂ S PPP is for: this APD only, all APDs, all producing wells, this facility only, all facilities.						
	Is the concentration of H2S in the gas stream that is anticipated submitted.						
							Add COA
	Does the operator indicate if this amount is expected to vary in the field?						Add COA
	List the specific condition(s) in Section III.B.1 which is exceeded (along with the exceedance amount) that requires						
	Responsibilities and duties of key personnel and instructions for alerting public and requesting assistance.						Add COA
b.	List of names, telephone numbers of:		_				<u> </u>
	i. Residents.						Add COA
	ii. Individuals responsible for safety of pubic roadways.						Add COA
	iii. Individuals responsible for safety of occupants of buildings within the 100 ppm ROE.						Add COA
c.	Telephone call list for:						_
	i. Requesting assistance from law enforcement.						Add COA
	ii. Fire department.						Add COA
	iii. Medical personnel.						Add COA
	iv. Federal and State regulatory agencies.						Add COA
	v. Necessary information and emergency responses list.						Add COA
d.	100 ppm or 3000 feet ROE plat depicting all private or public dwellings, schools, roads, recreational areas, and						Add COA
	other areas where the public might reasonably be expected to congregate.						Add COA
e.	Advance briefings of persons identified in Item b. addressing:						
	i. Hazards of H ₂ S and SO ₂ .						Add COA
	ii. Necessity for emergency action plan.						Add COA
	iii. Possible sources of H ₂ S and SO ₂ .						Add COA
	iv. Instructions of reporting a leak to operator.						Add COA
	v. Manner in which the public will be notified of an emergency.						Add COA
	vii. Steps to be taken in case of emergency including evacuation.						Add COA
f	Guidelines for ignition of H ₂ S bearing gas.						Add COA
1.	i. Designate the person who has the authority to ignite the escaping gas.						Add COA
	ii. Define when, how and by whom the gas will be ignited.						Add COA
σ.	Additional measures following the release of H ₂ S and SO ₂ :						
g.	*						
	i. Monitoring of H ₂ S and SO ₂ levels and wind direction.						Add COA
	ii. Maintenance of site security and access control.						Add COA
·							

			Add COA
iii. Communication of status of well control.			Add COA
iv. Other necessary measures as required by the authorized officer.			Add COA
h. For production facilities, a description of the detection systems utilized to determine the concentration of H ₂ S released.			Add COA
For each existing production facility, calculate and submit the 100 ppm and, if applicable, the 500 ppm radii of exposure (ROE) to determine if the Applicability Criteria in Section III.B.1 apply in submitting a H ₂ S PPP.			Add COA

Operator: Operator Name Date: 9/16/2010

Well Name/Number: Joe Creek 4-26-4-12
Location: NENE 26-T4S-R12W USB

Lease Number: UTU-88666
Agreement Name (If Applicable): N/A

Casing Mechanical Properties & Design:

	Surface	Prod	N/A	N/A	N/A
Casing Size	9-5/8"	5-1/2"			
Casing Grade	K-55	J-55			
Weight of Pipe, #/ft	36.00	15.50			
Connection	STC	LTC			
Condition	New	New			
		_	•	T	
Top Setting Depth (MD), ft	0	0			
Top Setting Depth (TVD), ft	0	0			
Setting Depth (MD), ft	500	5,000			
Setting Depth (TVD), ft	500	5,000			
Max Mud Weight - Inside, ppg	8.50	9.50			
Max Mud Weight - Outside, ppg	8.50	9.50			
Desired Cement Top (MD), ft	0	0			
Desired Cement Top (TVD), ft	0	0			
Hydrostatic Inside (Dry Outside), psi	2210	2470			
Minimum Internal Yield, psi	3,520	4,810			
Burst Safety Factor	1.6	1.95			
Burst Review	OK	OK			
Hydrostatic Outside (Dry Inside), psi	221	2,470			
Collapse Resistance, pis	2,020	4,040			
Collapse Safety Factor	9.14	1.64			
Collapse Review	OK	OK			
	1 40 1			ı	
Weight In Air, kips	18	78			
Overpull, Kips	100	70			
Body Yield, kips	564	248			
Joint Strength, kips	526	239			
Prevails ?	Joint	Joint			
Ratio - Weight/Body Yield	0.0	0.3			
Tension Safety Factor w/ Overpull	4.46	1.62			
Tension Review	OK	OK			

/aluation:

			Le	ad	Tail		Cement	Linear		
Hole	Casing	Ann Vol	# Sx	Yield	#Sx	Yield	Volume	Fill-up	Percent	Review
12.250	9.625	0.3132	0	0	420	1.18	495.6	1582	316%	OK
7.875	5.500	0.1733	0	0	358	1.47	526.3	3038	61%	Concern
0.000	0.000	0.0000	0	0	0	0	0	#DIV/0!	#DIV/0!	#DIV/0!
0.000	0.000	0.0000	0	0	0	0	0	#DIV/0!		OK

Casing Design Factors and Cement Volumes Acceptable w/ COA for Production cmt to protect/isolate.

Note:

Note: 20" conductor preset & cemented to 40'.

Review by: R. Allen McKee Date: 9/16/10



APD ENGINEERING EVALUATION Date: 9/16/2010 Operator: **Operator Name** Well Name/Number: Joe Creek 4-26-4-12 NENE 26-T4S-R12W USB Location: **UTU-88666** Lease Number: Agreement Name (If Applicable): N/A O YES NO (As defined by Order No 2. II, E.) **Exploratory:** BLOWOUT PREVENTION EQUIPMENT (BOPE) Item c. ABHP: (Order No.1, Item H from Drilling Plan). psi TVD = 5,000 feet Mud Wt = 9.50 (Order No.1, Item f for each drilled interval). ppg Operators Gradient = 0.42 psi/ft Is Appropriate Coincide with Mud weights provided by the Operator. The most credible ABHP = 2470 psi Rationale: Coincides with mud weights (.052 x ppg x TVD). Offset data. Professional knowledge. Etc ASP = ABHP - (0.22 * TVD) $A\overline{SP} =$ 1370 Proposed BOPE = 3 M (Order No.1 Item c from Drilling Plan) and Exceeds ASP and therefore is Adequate Add COA Concerns: None CASING PROGRAM Casing setting depths 🖾 Are 🗆 Are Not across competent formations (See Items a & b and Geologic Report) and therefore 🖾 Are 🗀 Are Not appropriate. See Casing Design tab. Casing design Is ☐ Is Not adequate. Concerns: Add COA CEMENTING PROGRAM Item e. All usably quality water (including sole source aquifers and drinking water source protection zones); prospectively valuable mineral and/or hydrocarbon zone as specified on the Geologic Report 🛛 Is 🗎 Is Not adequately isolated and/or protected. See Cement Evaluation Tab. Cement coverage behind 5-1/2" production pipe needs to isolate/protect usable quality water Add COA CIRCULATING MEDIUM (DRILLING FLUID / MUD PROGRAM) Proposed drilling fluid and additive 🗆 Are Not compatible with formations likely to be encountered. Air drilling operatid Are 🗆 Are Not proposed. Concerns: Air operations proposed - Add Air package COAs. Add COA TESTING, LOGGING, and CORING PROCEDURES Adequate logs ☑ Are ☐ Are Not proposed (See Geologic Report). Cement bond evaluation tools ☐ Are ☑ Are Not proposed across critical zones. Special Drill Stem Tests ☐ Are ☐ Are Not proposed. Concerns: (Freeform Box) Add COA DRILLING HAZARDS Abnormal BHPs or BHT Are Are Not anticipated. Potential hazards (Hydrogen Sulfide Is 🖸 Is Not anticipated (see Items a & b and Geologic Report). DOP & PPP ☐ Are ☑ Are Not necessary. Concerns: None. Add COA OTHER FACETS Item i. Directional, Horizontal or Coiled Tubing operation ☐ Are ☑ Are Not proposed. Directional design (plan view & vertical section ☑ Is ☐ Is Not necessarv Add COA Concerns: None. CORRELATIVE RIGHTS This well Is Is Not drilled in conformance with a spacing pattern acceptable to the AO. Spacing Order No. None - General State Spacing Acknowledged by UT922 in POD or Memo? res / No. N/A Unit Name (Freeform Box - Footages) Distance from Section Line = Distance from Lease Line = (Freeform Box - Footages) Distance from Unit Exterior (Freeform Box - Footages) Add COA Concerns: None VARIANCES All variances granted meet or exceed the minimum standards of Order(s) No. 1, 2 or 6. Add COA Concerns: None requested - None Granted In addition to the standard conditions, it is recommended to include the following specific COAs into this APD's approval: COA ?? 1 A __Field Office petroleum engineer shall be contacted for a verbal approval prior to commencing remedial work, plugging operations on Add COA newly drilled boreholes, changes within the drilling plan, changes or variances to the BOPE, deviating from conditions of approval, and conducting other operations not specified within the APD. Please contact ___ for verbal approvals. As a secondary contact: 2 If a well control issue arises (e.g. kick, blowout, or water flow), casing failure occurs, or an increase in bradenhead pressure occurs during Add COA fracturing operations, the AO shall be notified within 24 hours from the time of the event.

	The BOPE shall be installed, tested and operated in conformance with (to) Onshore Order #2 for aM system.	Add COA	
4	For all 5M and Higher BOPE, an electrical/mechanical mud monitoring equipment shall be functional prior to drilling out the next shoe. As a minimum, this shall include a pit volume totalizer, stroke counter, and flow sensor.	Add COA	
5	Gas detecting equipment shall be installed in the mud return system, prior to drilling out the(next) shoe, and hydrocarbon gas shall be monitored for pore pressure changes.	Add COA	В О
	A gas buster shall be functional and all flare lines effectively anchored in place, prior to drilling out the casing shoe. The discharge of the flare lines shall be a minimum of 100' from the well head and targeted at bends. The panic line shall be a separate line (not open inside the buffer tank) and shall be effectively anchored. All lines shall be downwind of the prevailing wind direction and directed into a flare pit, separate from the reserve pit. The flare system shall use an automatic ignition system. Where noncombustible gas is likely or expected, the system shall be provided supplemental fuel for ignition and maintain a continuous flare.	Add COA	Ф. Ш
7	Onshore Order No. 2, requires that all formations containing usable quality water (less than 10,000 ppm) be protected via cement. If encountered while drilling, usable quality water would require protection by bringing the cement at least ±200' above the usable quality water	Add COA	C e
8	Onshore Order No. 2, <i>Drilling Operations</i> , requires that all formations containing usable quality water (less than 10,000 ppm) be protected via cement. If encountered while drilling below the surface casing shoe yet above the anticipated cement top for the 5-1/2" Production Casing , usable quality water would require protection by bringing the cement at least ±200' above the usable quality water zone. Results (cementing reports, CBL, depth of flow, rate of flow, water quality. if available, etc.) will be reported to BLM. Any necessary remedial operations will be conducted prior to drilling out that casing shoe.	Add COA	m e n t i
9	As a minimum, cement shall be brought to 200' above the Formation . Prior to commencing fracturing operations, a CBL shall be run (from TD to 200' above the TOC) and an electronic copy submitted to the AO. If the TOC is lower than required or the cement sheath of poor quality, then, within 48 hours from running the CBL and prior to commencing fracturing operations, a Field Office petroleum engineer shall be notified for further instruction.	Add COA	g / E
10	After running and cementing the <u>5-1/2" Production Casing</u> , to determine cement top and quality a cement bond log, cement evaluation tool, or equivalent shall be run to determine cement top and quality. Results will be reported to BLM, attn: Field Office petroleum engineer. Any necessary remedial operations will be conducted prior to drilling out of that casing shoe.	Add COA	v a I
	Submit the (a) mud/drilling log (e.g. Pason disc), (b) driller's event log/operations summary report, (c) production test volumes, (d) directional survey, and (e) Formation Integrity Test results with the well completion report. Please contact the AO for clarification.	Add COA	
12	In accordance with 43 CFR 3162.4(b), the operator shall submit a complete set of electrical/mechanical logs in .LAS format or hard copy with standard Form 3160-4, Well Completion or Recompletion Report and Log. Please contact:(engineer's name).	Add COA	R e p
13	Two copies of all logs, and a single copy of core descriptions, core analyses, drill stem tests, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling and/or completion operations shall be submitted to the BLM, Field Office.	Add COA	o r t
14	Daily drilling and completion progress reports shall be submitted to the BLM, Office on a basis, and shall include daily mud reports, details of casing that has been run and its cementing, water flows, lost circulation zones, hydrocarbon shows and other information that describes drilling conditions.	Add COA	s
15	Drill Stem Testing (DST) operations are proposed and shall conform to Onshore Oil and Gas Order No 2, III. D. DST Requirements.	Add COA	
16	Air Drilling Operations are proposed and shall conform to Onshore Oil and Gas Order No 2, III. E.	Add COA	
17	The authorized officer (AO) shall be notified when operations are 500 feet above or 3 days before (whichever is earlier) drilling the first formation expected to contain Hydrogen Sulfide (H ₂ S).	Add COA	
18	A copy of the Drilling Operations Plan (DOP) shall be available during operations at the wellsite beginning 500 feet above or 3 days before (whichever is earlier) drilling the first formation expected to contain H_2S .	Add COA	H y d
	A Public Protection Plan (PPP) providing details of actions necessary to alert and protect the public in the event of a release of a potentially harmful volume of H_2S shall be submitted to the authorized officer for drilling or producing operations when applicability criteria of Order No. 6 are met.	Add COA	r o g
	A copy of the PPP shall be available at the drilling and/or completion site.		
21		Add COA	e n
	H_2S DOP and PPP shall be reviewed by the operator on an annual basis and copy of any necessary revisions shall be submitted to the authorized officer upon request.		n S
	H_2S DOP and PPP shall be reviewed by the operator on an annual basis and copy of any necessary revisions shall be submitted to the authorized officer upon request. If unanticipated H_2S in excess of 100 ppm in the gas stream is encountered, the operator shall immediately ensure control of the well, suspend drilling operations (unless detrimental to well control), and obtain materials and safety equipment to bring the operations into compliance with the applicable provisions of Order No. 6. In addition, the operator shall notify the authorized officer of the event and the mitigating steps that have or are being taken, as soon as possible, but no later than the next business day. If said notifications are subsequent to actual resumption of drilling operations, the operator shall notify the authorized officer of the date that drilling was actually resumed. It is the operator's responsibility to provide, if necessary, a H_2S DOP and a PPP to the authorized officer for approval within five business days following resumption of drilling ahead operations.		n
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23	H ₂ S DOP and PPP shall be reviewed by the operator on an annual basis and copy of any necessary revisions shall be submitted to the authorized officer upon request. If unanticipated H ₂ S in excess of 100 ppm in the gas stream is encountered, the operator shall immediately ensure control of the well, suspend drilling operations (unless detrimental to well control), and obtain materials and safety equipment to bring the operations into compliance with the applicable provisions of Order No. 6. In addition, the operator shall notify the authorized officer of the event and the mitigating steps that have or are being taken, as soon as possible, but no later than the next business day. If said notifications are subsequent to actual resumption of drilling operations, the operator shall notify the authorized officer of the date that drilling was actually resumed. It is the operator's responsibility to provide, if necessary, a H ₂ S DOP and a PPP to the authorized officer for approval within five business days following resumption of drilling ahead operations. No variances were requested nor approved from the minimum standards of Order Nos. 2, <i>Drilling Operations</i> and No. 6, <i>Hydrogen Sulfide</i>	☐ Add COA ☐ Add COA ☐ Add COA	S u l f i d e
23	H ₂ S DOP and PPP shall be reviewed by the operator on an annual basis and copy of any necessary revisions shall be submitted to the authorized officer upon request. If unanticipated H ₂ S in excess of 100 ppm in the gas stream is encountered, the operator shall immediately ensure control of the well, suspend drilling operations (unless detrimental to well control), and obtain materials and safety equipment to bring the operations into compliance with the applicable provisions of Order No. 6. In addition, the operator shall notify the authorized officer of the event and the mitigating steps that have or are being taken, as soon as possible, but no later than the next business day. If said notifications are subsequent to actual resumption of drilling operations, the operator shall notify the authorized officer of the date that drilling was actually resumed. It is the operator's responsibility to provide, if necessary, a H ₂ S DOP and a PPP to the authorized officer for approval within five business days following resumption of drilling ahead operations. No variances were requested nor approved from the minimum standards of Order Nos. 2, <i>Drilling Operations</i> and No. 6, <i>Hydrogen Sulfide Operations</i> . Air Drilling Variances Granted: 1) Dust suppression equipment variance granted for water mist system to substitute for the dust suppression equipment. 2) Variance granted for blooie line discharge to be 75' from the well bore. 3) Variance granted for truck/trailer mounted air compressors. 4) Straight run blooie line	Add COA	S U I I I I I I I I I I I I I I I I I I
23 26 24 25	H ₂ S DOP and PPP shall be reviewed by the operator on an annual basis and copy of any necessary revisions shall be submitted to the authorized officer upon request. If unanticipated H ₂ S in excess of 100 ppm in the gas stream is encountered, the operator shall immediately ensure control of the well, suspend drilling operations (unless detrimental to well control), and obtain materials and safety equipment to bring the operations into compliance with the applicable provisions of Order No. 6. In addition, the operator shall notify the authorized officer of the event and the mitigating steps that have or are being taken, as soon as possible, but no later than the next business day. If said notifications are subsequent to actual resumption of drilling operations, the operator shall notify the authorized officer of the date that drilling was actually resumed. It is the operator's responsibility to provide, if necessary, a H ₂ S DOP and a PPP to the authorized officer for approval within five business days following resumption of drilling ahead operations. No variances were requested nor approved from the minimum standards of Order Nos. 2, <i>Drilling Operations</i> and No. 6, <i>Hydrogen Sulfide Operations</i> . Air Drilling Variances Granted: 1) Dust suppression equipment variance granted for water mist system to substitute for the dust suppression equipment. 2) Variance granted for blooic line discharge to be 75° from the well bore. 3) Variance granted for truck/trailer mounted air compressors. 4) Straight run blooic line variance granted for targeted "T's" at bends. 5) Automatic igniter variance granted for igniter due to water since. A formation integrity test shall be performed at the	□ Add COA □ Add COA □ Add COA □ Add COA	S U I I I I I I I I I I I I I I I I I I
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Operator: Operator Name Date: 9/16/2010

Well Name/Number: Joe Creek 4-26-4-12
Location: NENE 26-T4S-R12W USB

Lease Number: 14-20-H62-1520 UTU-88666
Agreement Name (If Applicable): N/A
Exploratory: YES

I. Background:

Onshore Oil and Gas Order No. 2, *Drilling Operations*, provides for the addition of pressure control and/or kick detection equipment in "abnormal pressure" situations, or to upgrade 5M Stacks. The following calculation can be used to determine if such drilling conditions are likely. This procedure should not be utilized by itself, but in conjunction with a review of local issues such as: the proposal is an exploratory well, the presence of H₂S formations, layered high pressure zones, offset well pressures, etc.

This procedure assumes an "evacuated hole" situation. Although a worst case scenario, the concept lends itself to "borderline" situations. It is assumed that the evacuated hole actually contains a fluid composed of a mixture composed of typical hydrocarbon gases. Although the gas density, based upon molecular weight, varies from 0.12 to 0.13 psi/foot, the 0.13 psi/foot value is utilized as an acceptable average for pressure control calculations by well control companies, and is appropriate for this calculation.

Each case shall be based on the merits of the particular situation utilizing data available to establish a credible anticipated bottom hole pressure (ABHP) and formation gradient from the operator's proposal, anticipated mud weights, offset well information, or other sources. Determine the Anticipated Surface Pressure (ASP) utilizing the 0.22 psi/ft calculation. Then utilize the following to determine the Evacuated Hole Surface Pressure (EHSP):

II. Calculation:

	EHSP = ABHP - (0.13 * TVD)		
	EHSP = 1820 psi		
	**EHSP Does Not Exceed the working pressure of the approved BOPE system.		
	The following equipment Is Not Necessary.		
	Item	COA?	
1)	Third Pipe Ram - Section III.A.2.a.iv.5M Requirements	Add COA	
2)	Remote kill line tested to stack pressure (which shall run to the outer edge of the substructure and be unobstructed) - Section III.A.2.a.iv, 5M Requirements.	Add COA	5 M
3)	Electronic/mechanical mud monitoring equipment, which shall include: pit volume totalizer (PVT), stroke counter, and flow sensor - Section III.C.3.	Add COA	&
4)	Trip Tank - Section III.C.5.	Add COA	G
5)	Gas Detection Equipment installed in the mud return line (for exploratory wells and upgraded 5M and up) - Section III.C.6a.	Add COA	r e
6)	Hydrogen Sulfide Monitoring Equipment - Section III.C.6b.	Add COA	a t
7)	Mud gas separator (gas buster) installed and operable at least 500 feet above any hydrocarbon zone of interest - Section III.C.8.	Add COA	e r

CONDITIONS OF APPROVAL

Operator:	Operator Name	Date:	9/16/2010
Well Name/Number:	Joe Creek 4-26-4-12		
Location:	NENE 26-T4S-R12W USB		

Lease Number: UTU-88666
Agreement Name (If Applicable): N/A

I. Please Note:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR parts 3100, 3160 and 3180), lease/agreement terms, Onshore Oil and Gas Orders, Notice to Lessee's, and this approved plan of operation.

A copy of the approved application and these conditions shall be maintained on location during all construction and drilling operations. Deviation from the approved plan without prior approval is not allowed.

The operator is fully responsible for the actions of his subcontractors.

Operators have the responsibility to assure that activities authorized by this permit are conducted in a manner that complies with other applicable Federal, State, and local laws and regulations.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

This Application for Permit to Drill (APD) shall be valid for **two years** from the date of approval, provided the lease does not expire. If activities have not commenced by the end of the two-year period, the APD shall be returned to the operator without prejudice. Should the operator still desire to drill the well, a new APD must be submitted to this office. Upon written request by the operator, a one-time **two year** extension to this time period may be granted by the Authorized Officer (AO).

Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

If fill materials are needed to maintain roads or well sites, proper permits must be obtained from the appropriate surface owner. On BLM administered lands, the use of materials shall conform with 43 CFR §3610.2-3.

II Required Notifications:

The operator and contractor shall contact the BLM, Fillmore Field Office - (435) 743-3126, at least 48 hours prior to commencement of access and site construction or reclamation activities. (Contact: George Cruz).

The operator shall contact the BLM, Utah State Office, Branch of Fluid Minerals, **(801)** 539-4048, FAX (801) 539-4261, at least 24 hours prior to the following operations (Contact: **Randy Knight**):

• spudding (including dry hole digger or rig hole rigs);	
• running and cementing all casing strings;	
• pressure testing of BOPE or any casing string.	
• pressure integrity test (mud weight equivalency test) of each casing shoe.	
In the ease of nevely deiled devibeles and in any empresoner situation often have puthorization may be	a obtained by contacting the fellowing

In the case of newly drilled dry holes, and in any emergency situation, after hour authorization may be obtained by contacting the following individuals, in the order listed:

	Al McKee	(801) 572-6911 (Home)		
	Petroleum Engineer	(801) 828-7498 (Cell)		
	Utah State Office	al_mckee@blm.gov		
	Randy Knight	(801) 699-0405 (Cell)		
	I&E Coordinator	(801) 539-4048 (Office)		
	Utah State Office	randy_knight@blm.gov		
HI C	11.1			

III. Conditions of Approval:

A Drilling Plan - The Nine Point Plan of the Application for Permit to Drill will be supplemented as follows:

- Onshore Order No. 2, *Drilling Operations*, requires that all formations containing usable quality water (less than 10,000 ppm) be protected via cement. If encountered while drilling, usable quality water would require protection by bring the cement at least ±100' above the usable quality water zone.
- 2) Approval is based on a **5M** BOPE utilized after setting surface casing. All components, including the annular preventer, shall be rated to this pressure rating.

Daily drilling and completion progress reports shall be submitted to the BLM, Utah State Office, Branch of Fluid Minerals, at P.O. Box 45155, Salt Lake City, Utah, 84145-0155 (electronically to al mckee@blm.gov) and to the BLM, Fillmore Field Office, 35 East 500 North, Fillmore, Utah 84631 on a weekly basis, and shall include daily mud reports. 4) No variances were requested nor approved from the minimum standards of Order Nos. 2 and 6. If unanticipated H2S in excess of 100 ppm in the gas stream is encountered, the operator shall immediately ensure control of the well, suspend drilling operations (unless detrimental to well control), and obtain materials and safety equipment to bring the operations into compliance with the applicable provisions of Order No. 6. In addition, the operator shall notify the authorized officer of the event and the mitigating steps that have or are being taken, as soon as possible, but no later than the next business day. If said notifications are subsequent to actual resumption of drilling operations, the operator shall notify the authorized officer of the date that drilling was actually resumed. It is the operator's responsibility to provide, if necessary, a H2S DOP and a PPP to the authorized officer for approval within five business days following resumption of drilling ahead operations. Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer (AO). All conditions of this approval shall be applicable during any operations conducted with a replacement/completion rig. Two copies of all logs, and a single copy of core descriptions, core analyses, drill stem tests, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling and/or completion operations shall be submitted to the BLM, Utah State Office, Branch of Fluid Minerals, at P.O. Box 45155, Salt Lake City, Utah, 84145-0155. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever comes first, without the prior written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for the portion of the gas vented or flared without approval which is determined to have been avoidably lost. Section 102 (b) (3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1 (c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry

notice, of the date on which such production has begun or resumed."

B. Surface Use Plan of Operations - conditions - Ensure any waive exception language is included.

The 13 Point Plan of the Application for Permit to Drill will be supplemented as follows.... Insert BLM SUPO COAs...

DOWNHOLE APD CHECKLIST

Operator: Well Name/Number:	Operator Name Joe Creek 4-26-4-12	Date:	9/16/20	010
Location: Lease Number: Agreement Name (If Applicable):	NENE 26-T4S-R12W USB UTU-88666 N/A			
			<u>YES</u>	<u>NO</u>
Estimated Tops of All Formations and In	mportant Markers, Beginning with the S	Surface Fm		0
Estimated Depths of Anticipated Water,				
Oil, Gas, or other Important Minerals			0	0
If Identified Above, Plan for Protection.			0	0
Minimum Specifications for Pressure Co	ontrol		0	0
BOPE Size, Pressure Rating, and Config	guration/ Schematic Diagram		0	\circ
BOPE Testing Procedures and Frequenc	y		0	\circ
Proposed Casing Program; Including Siz	ze, Grade, Weight, Type, Setting Depth	,		
New vs. Used, Loading Assumptions, Sa	afety Factors, & Hole Size		\circ	\circ
Amount & Type of Cement, Including A	Additives		\circ	\circ
Type & Characteristics of Mud System;	Quantities,			
Weighting Material, & Monitoring Equi	pment		\circ	\circ
Air/Gas Drilling – Length of Blooie Lin	e,			
Compressor Equipment Location, & Mu	d/Kill Medium		\circ	\circ
Testing, Logging, and Coring Procedure	S		\circ	\circ
Expected BHP			\circ	\circ
Abnormal Pressures or Hazards			\circ	\circ
Directional Design, Plan View, & Vertice	cal section in TVD & MD		\circ	\circ
Other Facts/Supplementary Information			0	0
REMARKS/NEEDED INFORMATION	<u>I:</u>			
Signature:	Date	e: 9/16/20	110	
Signature:	Date	5. 9/10/20 		

	Operator: Well Name & Number: Location: Lease Number: Agreement:		Operator Name Joe Creek 4-26-4-12 NENE 26-T4S-R12W USB UTU-88666 N/A			Name: rttc Date: 9/16/2010 Comments: Top of Ferron SS est. @ 669' - proj. TOC behind 5 1/2'' @ surf. Air drill prod. hole, normal bottom hole pressures anticipated Proposed casing design falls within safety factor considerations						
Casing Design Calculations												
Type of Casing	Size of Hole (Inches)	Size of Casing (Inches)	Weight per Foot (lbs/ft) 0	irade	Thread	Interval (ft-ft)	Length (feet)	Setting Depth (feet)	Collapse (psi)	Burst (psi)	Tension (psi)	Cement Volume (sacks)
Surface Intermediate Production	12.250 8.750 6.125	7.000	29.0 F	N-80 P-110 P-110	ST&C LT&C LT&C	0-2300 0-7656 7656-10500	2300 7656 2844	2300 7656 10500	8510	5750 11220 12410	737000 797000 338000	340 360 220
		Total Depth BHP Gradient Max. Surf. Pressure BOP Required	10500 feet 6279 psi 0.60 psi/fi 3969 psi 5M Syst	t << Pro	ovided	Max. MW HP Max. MW HP Max. MW	8.4 lb 1005 p: 8.9 lb 3543 p: 11.0 lb 6006 p:	si s/qal si s/qal	Surface casing Surface casing Intermediate ca Intermediate ca Production cas Production cas	shoe sing shoe sing shoe ing shoe		
	SAFETY FACTORS											
		Surface Casing	Pb= Pc= Si=	3.093 2.889 8.011	Min= Min= Min=	1.000 C 1.125 C 1.600 C						
		Intermediate Casing	Pb-1= Pc-1= Si-1=	2.827 3.151 3.590	Min= Min= Min=		IK>MIN IK>MIN IK>MIN					
		Production Casing	Pb-2= Pc-2= Si-2= Si-2=	2.195 2.200 8.803 10.582	Min= Min= Min= Min=				31940 buoyancy weight			
Cement Volume Calculations LEAD TAIL Top of Tail ft. Top of Le											Top of Tail ft. Top of Lead	
		Surface Casing (Cement to Surface)		ipersack berofsacks	9.625	= = =	0.3132 cu 2.91 cu 372 sa	u ft/sx	240 3.2 OK	100 2.2	SXS CFS	1598 -855
		Intermediate Casing [Min cement top=	Num	l per sack ber of sacks	7.000	= =	0.1503 ct 3.06 ct 333 sa	u ft/sx	310 3.2 OK	TAIL 50 2.2	SXS CFS	Top of Tail ft. Top of Lead 6924 325
		Production Casing [Min cement top=	6.125 by Yield Num	lpersack berofsacks	4.500	= = =	0.0942 cc 1.86 cc 154 sa	u ft/sx	LEAD OK	TAIL 220 1.86	SXS CFS	Top of Tail ft. 6155

Newfield Production Company

Monument Butte APD's

Uintah/Duchesne County Utah

I have reviewed the APD well location plat and found the surface location not in compliance with the State of Utah Rule 649-3-3 requirements. A spacing exception request letter is contained in the APD. A geological review has been conducted of Items 1& 2 contained in the drilling plan of the APD's. Items 3-9 of the drilling plan are not contained in the APD's but have a statement referencing the Newfield Production Co. Monument Butte Field Standard Operating Procedures (SOP version: June 24, 2008).

Newfield Production Co. shall adhere to all referenced requirements in the SOP along with all Oil and Gas rules and requirements listed in the Code of Federal Regulations and all Federal Onshore Oil and Gas Orders.

Ryan Angus Petroleum Engineer BLM Vernal Field Office

Engineering Review Spreadsheet V 1.0 -

This effort is designed to standardize the downhole review of all Utah BLM reviewed APDs. After the review is completed, the record needs to be documented. This review and documentation will include at a minimum: deficiency list, casing and cementing review and engineering evaluation with specific COAs.

The Engineering Review Spreadsheet contains more tabs than any single review will require. For example, the H2S checklist need only be utilized for those wells which meet or exceed the criteria of Order #6. Due to unique field office issues, separate tabs are in place for casing and cementing reviews. Additional tabs may be added as necessary.

9-Pt Checklist is directly from minimum standards contained in Order No 1 and utilizes checkboxes to track deficiencies, adequacy and necessary COAs. This will be necessary for all wells.

H2S Checklist is a similar checklist for Onshore Order No 6. This will be necessary for all wells which meet the applicability criteria established in Order No. 6, *Hydrogen Sulfide Operations*.

Csg – USO version will be utilized for all over-thrust and geothermal wells. Optional for Green River District.

Eng Eval is the spreadsheet which will be utilized to document the engineer review of the casing and cementing program and establish necessary COAs.

Abnormal Pressure calculates "abnormal pressure" as described in Order No 2. This will be utilized to determine when additional pressure control equipment is required for 5M stacks and above.

Standard COAs - Example is where your office's typical (standard) COAs are documented. This tab currently contains the USO version. Each District will upload their standard COAs to separate tabs and provide a final version to USO.

Green River - Checklist is optional as all information required by Order No 1 is included in

Green River - CSG is the VFO and PFO casing and cementing worksheet.

Green River – SOP is a specific example of a SOP letter which VFO utilizes. Because the SOP is based upon a previous engineering review, it needs to be documented in the individual case file. Similar SOPs can be added as separate tabs as necessary.